

Department of Finance  <b>STATE OF CALIFORNIA MANUAL OF STATE FUNDS</b>		<b>Fund: 0662a</b>  <b>PAGE 1</b> Renumbered From:
<b><u>Legal Title</u></b> Revolving Loan Fund		
<b><u>Legal Citation/Authority</u></b> Chapter 69, Statutes of 1981 Welfare and Institutions Code section 12700		
<b><u>Fund Classification</u></b>  <b><u>GAAP Basis</u></b> Governmental/Special Revenue Funds		<b><u>Fund Classification</u></b>  <b><u>Legal Basis</u></b> Nongovernmental/Working Capital and Revolving Funds
<b><u>Purpose</u></b> The purpose of the loans was to establish recipients in businesses, professions, or other gainful employment.  The amount that may be loaned in any fiscal year is limited to the amount saved by the state as a result of discontinuance of aid in the preceding fiscal year.		
<b><u>Administering Agency/Organization Code</u></b> Department of Social Services/Org5180		
<b><u>Major Sources</u></b> Principal and interest on loans.		
<b><u>Disposition of Funds (upon abolishment)</u></b> Pursuant to Government Code section 16346, in the absence of language that identifies a successor fund, any balance remaining in this fund upon abolishment shall be transferred to the General Fund.		
<b><u>Appropriation Authority</u></b> Section 12700 of the Welfare and Institutions Code provides that the fund shall be used to make loans to recipients.		
<b><u>State Appropriations Limit</u></b> <b>Always Excluded</b> – Revenues in this fund are not proceeds of taxes and even after transfer, will never become proceeds of taxes because the major revenue source is derived from a Working Capital and Revolving Fund.		
<b><u>Historical Comments</u></b> Chapter 2127, Statutes of 1963 established a permanent revolving loan fund of \$35,000 to be used for making loans to recipients of aid to needy blind and potentially self-supporting blind. The amount that could be loaned to a recipient was limited to \$5,000 and the interest rate was not to exceed three percent. Chapter 790, Statutes of 1973 increased the amount that can be loaned to an individual recipient from \$5,000 to \$10,000 and increased the amount of the permanent advance from the General Fund to \$70,000.		

Chapter 1242, Statutes of 1978 increased the amount that can be loaned to an individual recipient from \$10,000 to \$15,000 and increased the amount of the permanent advance from the General Fund to \$150,000.

Chapter 69, Statutes of 1981 repealed Welfare and Institutions Code section 13300 and renumbered this fund to Section 12700.

Due to the inactivity of this fund since 1995, this fund has been administratively abolished pursuant to Government Code Section 13306 (b), effective April 19, 2005.